

## Message Text

UNCLASSIFIED

PAGE 01 COLOMB 01002 210736 Z

10

ACTION NEA-12

INFO OCT-01 EUR-25 ADP-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 PA-03 PRS-01 USIA-12 RSR-01 /163 W

----- 000956

R 210520 Z APR 73

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 9397

INFO AMEMBASSY LONDON

AMEMBASSY NEW DELHI

CINCPAC

UNCLAS COLOMBO 1002

E. O. 11652: N/ A

TAGS: EGEN

SUBJ: CENTRAL BANK REPORT DOCUMENTS CONTINUED ECONOMIC  
STAGNATION 1972

CINCPAC PASS POLAD

ACCORDING CENTRAL BANK REPORT 1972 ( JUST PUBLISHED) SRI LANKA  
ECONOMY GREW 2.5 PERCENT ( REAL PRICES) IN 1972, AND 0.4  
PERCENT PER CAPITA. MUCH OF GROWTH DUE TO EXPANDED OUTPUT OF  
GOODS FOR DOMESTIC CONSUMPTION. OUTPUT OF TEA, PADDY, AND RUBBER  
DECLINED. PRICES ROSE 7 PERCENT DUE TO 15 PERCENT INCREASE MONEY  
SUPPLY, CONSUMER GOODS SHORTAGES, AND INCREASED COSTS FOR  
IMPORTS.

CAPITAL FORMATION DECLINED 11.3 PERCENT, LARGELY BECAUSE OF  
DEPLETION OF PRIVATELY HELD STOCKS. GOVERNMENT DEFICIT RS. 1,366  
MILLION DESPITE SUBSTANTIAL UNDEREXPENDITURE ON CAPITAL ACCOUNT.  
BALANCE OF PAYMENTS DEFICIT RS 412 MILLION ( OF WHICH TRADE  
DEFICIT RS 302 MILLION) REDUCED BY FOREIGN ASSISTANCE RS 269  
MILLION. EXTERNAL INDEBTEDNESS INCREASED 23.2 PERCENT TO  
RS 2,393 MILLIONS. REPORT CONTINUES THAT PRIVATE SECTOR SUFFERED  
SEVERLY FROM IMPORT RESTRICTIONS, LOW LEVEL OF CONFIDENCE IN  
GSL POLICY TOWARDS PRIVATE ENTERPRISE DESPITE GSL WHITE PAPER' S  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 COLOMB 01002 210736 Z

INCENTIVES FOR EXPORT- ORIENTED INDUSTRIES, AND ADVERSE WEATHER  
CONDITIONS. LARGE SCALE IMPORTATION OF WHEAT AND 3.7 PERCENT  
DECLINE IN COMMODITY TERMS OF TRADE CONSUMED FOREIGN EXCHANGE.  
WITHOUT SHORT TERM SUBSTANTIAL AGRICULTURAL PRODUCTIVITY  
INCREASE, BANK SEES DEFAULT ON INTERNATIONAL ACCOUNT WITHIN  
FOUR YEARS. AIRGRAM FOLLOWS.  
VAN HOLLEN

UNCLASSIFIED

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973COLOMB01002  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** COLOMBO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730447/aaaaitkz.tel  
**Line Count:** 76  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** kellerpr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03-Aug-2001 by reddocgw>; APPROVED <17-Aug-2001 by kellerpr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> jms 980127  
**Subject:** CENTRAL BANK REPORT DOCUMENTS CONTINUED ECONOMIC STAGNATION 1972  
**TAGS:** EGEN  
**To:** CINCPAC  
LONDON  
NEA  
NEW DELHI  
SECSTATE WASHDC  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

